

Jurisdiction and Venue

4. Jurisdiction and venue is proper in this Court because parts of the acts and transaction occurred here, the Defendant transacts substantial business here, and Plaintiff's claim arises out of a federal statute. Exhibit B, Def. Ans. and Aff. Defs., ¶ 3; Exhibit A, Dec. of Nina Flecha, ¶ 4.

The Violation

5. Plaintiff is a natural person who incurred an alleged debt for goods and services used solely for personal purposes, originally for a Seton Medical Center Hays ("Seton") account ("alleged debt"). Exhibit A, Dec. of Nina Flecha, ¶ 2.

6. Plaintiff has been admitted to Seton on several occasions. Exhibit E, Dep. of Nina Flecha, pg. 24:19-24.

7. Plaintiff testified that her visits to Seton were through the emergency room. Exhibit E, Dep. of Nina Flecha, pg. 25: 8-10.

8. The alleged debt was a consumer receivable. Exhibit C, Defendant's Response to Plaintiff's Requests to Admit No. 5.

9. Medcredit has no evidence that the consumer account was used for business purchases. Exhibit C, Def. Resp. to Req. to Admit No. 6.

10. Due to Plaintiff's deteriorating financial situation, she was no longer able to keep up with her bills, including being unable to pay the alleged debt. Exhibit A, Dec. of Nina Flecha, ¶ 3.

11. Plaintiff failed to make timely payment in satisfaction of the Seton medical account. Exhibit C, Def. Resp. to Req. to Admit No. 2.

12. The alleged debt was assigned to Mediacredit from Seton Medical Center Hays for collection. Exhibit B, Def. Ans. and Affirm. Def., ¶15.

13. On or about May 29, 2016, Mediacredit mailed a collection letter (“Letter”) to Plaintiff regarding the alleged debt. Exhibit A, Dec. of Nina Flecha, ¶ 4; Exhibit C, Def. Resp. to Plf.’s Req. to Admit No. 10; Exhibit B, Def. Ans. and Aff. Defs., ¶ 16.

14. The May 29, 2016 Letter conveyed information about the alleged debt, including the identity of the current creditor, the identity of the original creditor, and a current balance on the alleged debt. Exhibit B, Def. Ans. and Aff. Defs., ¶ 17.

15. The Letter stated in relevant part that: “At this time, a determination must be made by our client as to the disposition of your account. Your failure to cooperate in satisfying this debt indicates voluntary resolution is doubtful.” Exhibit B, Def. Ans. and Aff. Defs., ¶ 20.

16. Plaintiff believed “a determination” as stated in the Letter meant that “if you don't pay within a proper time, they can take legal action towards you or they can garnish your wages. Exhibit E, Deposition of Nina Flecha, pg. 48:1-11.

17. According to Defendant, Mediacredit uses a series of letters that it sends to debtors with Seton accounts, which is determined by the time period in which the account has been placed with Mediacredit. Exhibit D, Mediacredit’s 30(b)(6) Deposition, pgs. 17-18: 25, 1-3.

18. For the Seton accounts, there are three letters sent in a series, including a validation notice that goes out at time of placement, a subsequent letter which is similar to the letter sent to Plaintiff, and a payment arrangement reminder letter for those debtors who were on a payment arrangement. Exhibit D, Mediacredit’s 30(b)(6) Dep., pg. 18-19: 19-25, 1.

19. These letters are automatically ordered in Mediacredit's system and then a letter template file goes to a letter vendor who then prints and mails them. Exhibit D, Mediacredit's 30(b)(6) Dep., pg. 27:16-19.

20. The decision to send Exhibit A to Plaintiff was sent as an automatic function in Mediacredit's automated software rather than by a human being. Exhibit D, Mediacredit's 30(b)(6) Deposition, pg. 27:20-24.

21. In addition, Mediacredit's legal department does not review letters sent to debtors on an individual basis; rather, they review the templates of letters that will go out and later be populated by variables associated with consumer data. Exhibit D, Mediacredit's 30(b)(6) Deposition, pg. 25:16-21.

22. Defendant does not file collection lawsuits against consumers on behalf of Seton Medical Center. Exhibit C, Def. Resp. to Plf.'s Req. to Admit No. 14.

23. "Mediacredit only does voluntary collection programs for Seton." Exhibit D, Mediacredit's 30(b)(6) Deposition, pg. 30:10-11.

24. For Seton accounts serviced by Mediacredit, Mediacredit has a window of approximately 180 days to collect from a debtor before the account is placed back with Seton. Exhibit D, Mediacredit's 30(b)(6) Deposition, pg. 31:6-14.

25. Aside from voluntary efforts by the debtor to contact Mediacredit and make payment arrangements, once a letter is sent out, the automation would take over in Mediacredit's system. Exhibit D, Mediacredit's 30(b)(6) Deposition, pg. 32:7-12.

26. After the expiration of the 180-day period, the account would "qualify" to be returned back to Seton. Exhibit D, Mediacredit's 30(b)(6) Deposition, pg. 32:12-15.

27. For an account to “qualify” for return to Seton, the debtor has made no voluntary payment on the account or arrangements to pay with Medcredit. Exhibit D, Medcredit’s 30(b)(6) Deposition, pg. 32:18-23.

28. To date, Medcredit’s client, Seton Medical Center Hays, has not sued Plaintiff for the alleged debt. *See* Exhibit A, Dec. of Nina Flecha, ¶ 5.

29. In fact, because Medcredit never sues on Seton debt, Medcredit never planned to sue Plaintiff. Exhibit D, Medcredit’s 30(b)(6) Deposition, pg. 33:16-20.

30. Had Plaintiff not filed this instant lawsuit, Medcredit would have returned Plaintiff’s account to Seton. Exhibit D, Medcredit’s 30(b)(6) Deposition, pg. 31:19-22.

Respectfully submitted:

/s/Celetha Chatman

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